



# **Code-Share Relationships**

## **The View from the Cockpit**

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**Air Line Pilots Association, International**



# Introduction

- ▶ Air Line Pilots Association, International
  - 53,000 pilots
  - 38 airlines
  - U.S. & Canada
- ▶ ALPA's Motto: Schedule with Safety
  - Safety is the cornerstone of our activity
- ▶ ALPA pilots see, every day, how code-share agreements impact our operations worldwide



# Introduction

- ▶ NTSB's investigations, public hearings and forums have shone a bright light on:
  - fatigue
  - pilot screening, hiring, training
  - professionalism
  - relationship between mainline and partners
- ▶ These areas are critical to maintaining and enhancing the safety of our industry, and ALPA appreciates the opportunity to participate in the discussion



# Introduction

- ▶ Code sharing itself is neither safe nor unsafe, it is a business practice
- ▶ Ours is a highly competitive industry
  - Small margins, large economic pressures
  - Challenge is to prevent those pressures from adversely affecting safety
- ▶ ALPA has a formal “Fee for Departure (FFD) Task Force” to address unique challenges in that segment of the industry



# Code Sharing

## Mainline-Mainline (domestic or int'l)

- ▶ Financial independence is maintained
- ▶ Each carrier sells seats, operates its own fleet, schedule, routes
- ▶ Alliances have formal pilot associations
  - Forum for both safety and industrial issues
  - Share best practices
  - Common solutions to common problems
  - Helps ensure highest level of safety



# Code Sharing

## Mainline-Regional

### Legacy Carrier

- ▶ 100% of ticket sale revenues go to mainline carrier
- ▶ Competes for passengers
- ▶ Can enhance revenue in multiple ways
- ▶ Controls revenue *and* costs to drive profits

### Fee for Departure Carrier

- ▶ Sells “lift,” not tickets to passengers
- ▶ Competes for contracts
- ▶ Fewer avenues to enhance revenue
- ▶ Major focus on cutting costs and hitting operating metrics to drive profits



# Code Sharing

## Mainline-Regional

- ▶ Significantly reduced ability to control both revenue and cost leads to unique economic pressures in this segment of the industry
- ▶ Fundamentally different model
- ▶ Financial *dependence*
  - Competitive bids for routes
  - Potential outsourced flying from mainline



# Code Sharing

## Mainline-Regional

- ▶ Potential loss of airline identity
- ▶ Crews may fly as multiple brands
- ▶ Some “family brands” create robust alliances of pilot groups (e.g. DCPA)
  - Same advantages as international alliances
  - Ability to provide mentoring





# Code Sharing

## Mainline-Regional

- ▶ Potential safety issue areas
  - Pilot Hiring/Training
  - Scheduling and Pilot Staffing
  - Aircraft Maintenance and Deferred Items
  - Industrial issues with safety implications
    - ▶ Sick & fatigue policies
    - ▶ Contractual FT/DT rules



# Code Sharing

## Potential Safety Areas

### ▶ Pilot Hiring & Training

- Pressure to recruit least experienced pilots
- Pressure to minimize training
  - ▶ Initial & recurrent
  - ▶ In response to new routes, brands
  - ▶ Command and leadership for new captains
- Perception as a “stepping stone” position



# Code Sharing

## Potential Safety Areas

- ▶ Scheduling & Pilot Staffing
  - Potentially the most fatiguing schedules
    - ▶ Very early, very late to accommodate mainline
    - ▶ High frequency of takeoffs & landings
  - Cost pressure to minimize staffing
    - ▶ Current regulations never envisioned this model
    - ▶ Reduces time available for training, mentoring
    - ▶ Reduces personal time; potentially lower morale



# Code Sharing

## Potential Safety Areas

- ▶ Maintenance and Deferred items
  - “Fee for Departure” literally results in “no departure - no revenue”
    - ▶ Mainline cancellation does not mean all revenue is lost; passengers are accommodated on other flights
    - ▶ High pressure to complete flights
    - ▶ High pressure to avoid maintenance delays at outstations



# Code Sharing

## Potential Safety Areas

- ▶ Industrial Issues with Safety Implications
  - Sick/Fatigue policies
    - ▶ Minimum staffing levels result in higher pressure to work regardless of fitness
    - ▶ *ALPA remains firm in the belief that a pilot must arrive for work fit; company has a responsibility, too.*
    - ▶ Punitive attendance programs
  - Contractual flight & duty rules
    - ▶ Closer to the regulatory minima
    - ▶ Limited flexibility



# Related ALPA Activity

- ▶ Information exchange inherent in 38 pilot groups
  - ALPA's Executive Air Safety Committee has credibility throughout the industry
- ▶ Current Aviation Rulemaking Committee efforts, including
  - Fatigue, flight/duty time
  - Pilot training, qualification, leadership
  - Mentoring (between pilots, between carriers)
  - Professional Development
  - Safety management systems



# Conclusion

- ▶ Code sharing is neither safe nor unsafe
- ▶ Code sharing can lead to unique economic pressures; especially in FFD segment
- ▶ Cost-cutting due to pressures has the potential to impact safety
- ▶ There are examples of how to do it right
- ▶ Industry must capitalize on those examples, learn from mistakes, raise the bar for all